



SIMPLIFYING HEALTH CARE REFORM

The Patient Protection and Affordable Care Act (H.R. 3590) was signed into law on March 23, 2010 by President Obama after a yearlong quest for health care reform. This act affects Flexible Spending Accounts (FSA's), Health Reimbursement Arrangements (HRA's), Health Savings Accounts (HSA's) and the ability of the participant to easily purchase over-the-counter (OTC) drugs, medicines and biological treatments as eligible expenses.

As a result of the Health Care Reform Act, there are significant changes to the eligibility of over-the-counter (OTC) drug expenses through Flexible Spending Accounts (FSAs). Effective January 1, 2011, FSA participants will be required to obtain a prescription from a licensed health care professional for all OTC drugs or medicines in order to assure eligibility.

Debit cards may still be used to pay for prescribed over-the-counter drugs. IRS Notice 2011-5 clarifies that participants have the following two options available to obtain reimbursement:

- Option 1:** **Purchase prescribed over-the-counter drugs or medicines at the pharmacy-** Starting after January 1, 2011, you may continue to use a health debit card to purchase over-the-counter medicines or drugs. Present a prescription to the pharmacist to have the medication dispensed as a prescription by the pharmacist and given an Rx number.
- Option 2:** **Purchase OTC drug or medicine over-the-counter-** Should the participant obtain the appropriate prescription for the OTC drug or medicine, he or she can pay out of pocket at the normal register and then submit for reimbursement. To be reimbursed through their FSA, the participant must submit the following to Benefit Strategies for review:
- A completed claim form
 - Receipt of purchase
 - A legal prescription that corresponds with the OTC drug or medicine purchased

Acceptable Over-the-Counter Items

Athletic treatments	Crutches, canes, walkers	Fertility monitors	Orthopedic supports
Bandages	Dentures	First aid kits	Pregnancy tests
Blood pressure monitors	Diabetic supplies	Hearing aids and batteries	Urological products
Cholesterol meter test kit	Eye related equipment	Insulin test strips, testing	Wheelchair and repairs
Contact cleaning solutions	Family planning products	Medical equipment	

Dual Use Over-the-Counter Items - Only eligible if accompanied with a doctor's prescription

Acne treatments	Chest rubs	Cough syrup	Laxatives
Allergy & sinus medicine	Cold and flu medicine	Diaper rash ointments	Motion and Nausea medicine
Antacids and digestive aids	Corn and callus removers	Ear drops and wax removal	Nicotine patches and gum
Asprin or pain relievers	Cough drops	Gastrointestinal medication	Sleep aids
Asthma medicine		Glucosamine	Toothache gels
			Wart removal treatments